

Business Plan Template

There is no single way to organize your business plan, but here is a suggested template that you can use to get started. In addition to the written and financial information, you might include photographs (of the business store front, product, people, etc.) judiciously throughout the plan (pictures remove much of the mystery from the mind of the potential investor or lending agency) to help keep the plan concise.

1. **Cover:** Name, address, and phone number of business and list of principal owners. Give your plan a business-like appearance by typing it on high-quality paper and putting it in a vinyl or cardstock binder or a three-ring notebook.

Name _____

Address _____

_____ Telephone _____

Principal Owner(s) _____

2. **Table of Contents:** A single page showing major topics and page references.
3. **Executive Summary:** Ideally, it is a one page summary of the entire plan. Usually the last section of the business plan that is written but it is the first section read (sometimes the only section read!). It explains to the busy investor or lender what, who, why, how much, when, where. Immediately followed by tables, figures, and other vital information including the cash flow projections. It must be concise and persuasive. Address the following questions and add additional information that will help you achieve your goals.

- a. What is the purpose of this plan?

Will it be used as:

◆ an operating guide?

◆ a financing proposal?

b. What business structure have you chosen (i.e., sole proprietorship, partnership, corporation, S corporation)? and Why?

c. Who are the principals and what are their proportions of ownership?

d. Why will the venture be successful?

For a financing proposal:

e. Who is requesting the funds and how much is needed?

f. What will the money be needed for?

g. How will the funds be repaid?

h. What collateral will be offered to secure the loan?

i. Why does a loan or an investment make sense?

◆ impact on local economy

- ◆ job creation
- ◆ increased tax base
- ◆ investment in the future of the community

4. Description of the Business: Describe in some detail the business including type of business, size, history, successes, failures, seasonality, industry, overview trends, and other facts. Often includes a discussion of the progress to date of the business (for example, how quickly it is growing). A discussion of business risks should also be addressed in this section. Answer as many of the following questions as are appropriate:

a. Industry overview (provide the context of the business)

b. What business are you in?

◆ type of business: primarily merchandising, manufacturing, or service?

◆ what is the nature of the product(s) or service(s)? _____

◆ what will be special about your business? _____

c. What market do you intend to serve? _____

d. What is the total market, and what is your expected share?

a) How can you serve the market better than your competition?

b) Present status of business: start-up, expansion of a going concern, or take-over of an existing business?

c) If you will be doing any contract work, what are the terms? Reference any firm contract and include it as a supporting document.

d) Do you have letters of intent from prospective suppliers?

Taking over an existing business:

a. What is the history of the business? _____

b. Why does the owner wish to sell at this time? _____

c. If the business is going downhill, why? How can you turn it around? _____

d. How will our management make the business more profitable? _____

e. What changes do you plan to make in the business? _____

f. What is the purchase price formula? Give breakdown for building, improvements, inventory, and goodwill. _____

5. **Business Location:**

a. What is your business address and why did you choose that location?

b. Will the building be leased or owned? _____

c. What are the terms and length of the lease contract? _____

d. What renovations will be needed and at what cost? _____

e. Describe the neighborhood (i.e., stable, changing, improving, deteriorating)

f. What other kinds of businesses are in the neighborhood? _____

g. How much can your business expand before you will be forced to move or add on to the present building? _____

6. **Operations:** Operations will explain the day-to-day manner in which the business operates as well as describe the physical plant, warehouse, or retail store. Manufacturers may want to describe processes, quality control techniques, and capacity.

7. **Licenses and Permits:**

a. Is your business name registered with the secretary of state? _____

b. State how you will be affected by local zoning regulations. _____

c. What other licenses or permits will you be required to obtain? _____

8. **Management:** Describe key management and their abilities.

a. What is your business and management experience? _____

b. What education have you had, including both formal and informal courses, which contribute to your managerial abilities? _____

c. Are you physically suited to the job? _____

d. Do you have direct operational and/or managerial experience in this type of business? _____

e. Describe your organizational structure and include a brief description of who does what. (Include an organizational chart if necessary.) _____

f. List proposed salaries and wages. _____

g. What other management resources will be available (accountant, lawyer, SBCD)? _____

9. **Personnel:** Write a paragraph or two about your personnel needs.

- a. What are you anticipated personnel needs?
- b. What skills must your employees have?
- c. Can you use part-time help to meet changing business volume?
- d. Will you have to train people, and at what cost?

10. **Insurance:** Describe your potential business risks and tell what insurance coverage you will purchase to protect yourself. _____

11. **Marketing:** The marketing section is generally the "meat" of the business plan - after all, if a business can't attract customers it's not much of a business! This section can be organized into the four P's of marketing and the other key marketing factors. The marketing section usually includes a breakeven analysis.

a. Who exactly is your market? If direct to consumer, describe age, sex, occupation, lifestyle, income, etc., of your various market segments. Or, if you are selling to other businesses, describe their industry, size, location, etc.

b. What is the present size and growth potential of the market? _____

c. What percent of the market will you have now and in the future? _____

d. How will you attract and keep your segment of this market? _____

- ◆ product quality
- ◆ price
- ◆ public relations
- ◆ personal selling

e. What features or services will you offer that will justify your price? _____

f. How will you handle credit sales? (extend your own credit, accept major credit cards etc.) _____

12. **Competition:** Briefly describe your competition and tell how their operations are similar and dissimilar to yours. What is your unique selling proposition and how will you use it to control your market share? _____

13. **Finances:** The Finance section typically contains the "numbers" of the business and demonstrates the viability of your venture. It can be organized into three sections: *historical data, sources and applications of funding, and projections.*

Historical data is appropriate for existing business who are expanding or seeking financing for a number of purposes. The historical data typically includes three years of cash flow statements, income statements and tax returns, balance sheets, and performance against budgets.

A list of sources and applications (uses) of funding is also appropriate for the business plan. This list specifically shows all sources of funds, how the funds are used (including a list of capital equipment, if appropriate).

The Projections section should include at least three years of cash flow projections, two years of which are in a monthly format (to demonstrate seasonality and other trends, plus to demonstrate the ability to budget and forecast). Some investors prefer to see five years of projections, with the first two years in monthly format and the last three in annual format (often an investor is paid within a three to five year period). The projections should also include three to five years of income and balance sheet projections.

a. Historical data: _____

b. Source and application of funds statement. _____

c. Capital equipment list: _____

d. Current balance sheet and operating statement (less than 90 days old).

e. Break-even analysis.

f. Profit and loss

- ◆ detail by month, first year
- ◆ detail by quarter, second year
- ◆ notes of explanation and assumptions

g. Cash flow projections

- ◆ detail by month, first year
- ◆ detail by quarter, second year
- ◆ notes of explanation and assumptions

h. Projected balance sheet

- ◆ notes of explanation and assumptions

i. For an existing business

- ◆ profit and loss statements
- ◆ balance sheets and/or
- ◆ tax returns for past three years

14. **Long Range Plans:** Briefly describes new products and services in the making, and other long term plans for expanding the business. It is an opportunity to pique the interest of the reader in the future of the business.

15. **Supporting Documents:**

- a. Personal resumes for all principals.
- b. Personal financial statements for principals.
- c. Letters of reference.
- d. Letters of intent from prospective suppliers or customers.
- e. Copies of all leases, contracts, or agreements, deeds or other legal documents.
- f. Any other information that might help our cause or answer potential questions.

16. Appendices: Includes copies of leases (if appropriate), patent and licensing information, photographs, interesting news articles, resumes, credit reports, letters of intent, references, contracts, legal documents, and other supporting documents.

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